

**REVISED MINUTES OF THE  
ECONOMIC DEVELOPMENT AND WORKFORCE SERVICES INTERIM  
COMMITTEE**

Wednesday, October 16, 2013 – 10:30 a.m. – Room 20 House Building

**Members Present:**

Sen. Aaron Osmond, Senate Chair  
Rep. Rebecca P. Edwards, House Chair  
Sen. Patricia W. Jones  
Sen. Stuart C. Reid  
Sen. Brian E. Shiozawa  
Sen. Jerry W. Stevenson  
Rep. Rich Cunningham  
Rep. Bradley G. Last  
Rep. Ronda Rudd Menlove  
Rep. Kraig Powell  
Rep. Angela Romero

Rep. Dean Sanpei  
Rep. Brad R. Wilson

**Members Absent:**

Rep. Jim Bird  
Rep. Lynn N. Hemingway

**Staff Present:**

Mr. Benjamin N. Christensen, Policy Analyst  
Mr. Peter L. Asplund, Associate General Counsel  
Ms. Debra Hale, Legislative Secretary

**Note:** A list of others present, a copy of related materials, and an audio recording of the meeting can be found at [www.le.utah.gov](http://www.le.utah.gov).

**1. Committee Business**

Chair Osmond called the meeting to order at 10:40 a.m. Rep. Bird and Rep. Hemingway were excused from the meeting.

**MOTION:** Sen. Jones moved to approve the minutes of the September 18, 2013, meeting. The motion passed unanimously. Rep. Last and Rep. Powell were absent for the vote.

**2. Required Annual Agency Written Reports**

Referring to the document provided in the committee packet, "Ideas for Annual Agency Reporting to the Economic Development and Workforce Services Interim Committee," Mr. Christensen reported on ways to improve the process of providing required annual reports and other information to the committee and to the public. He explained that, after working with the three agencies involved, one annual report that includes key information and is reported consistently year after year may be an option for the committee to consider.

Mr. Geoffrey Landward, Deputy Director, Department of Workforce Services (DWS), discussed agency report issues illustrated by handouts: "DWS Financial Status Report – FY 2014," "DWS: At a Glance – UI," "DWS: At a Glance – ESD," "Department of Workforce Services – Unemployment Insurance Division – Operational Update 10-2-2013," and "Department of Workforce Services – Eligibility Services Division – Operational Update 10-2-2013." He expressed support for consolidating reports into a comprehensive annual report that includes information the department relies on to measure results.

Mr. Brian Somers, Deputy Director, Department of Heritage and Arts (DHA), referred to a visual

presentation "Utah Department of Heritage & Arts – Agency Reports," and gave an overview of the department, including its challenges, and described its annual report.

Ms. Sophia DiCaro, Deputy Director, Governor's Office of Economic Development (GOED), and Mr. Michael Sullivan, Communications Director, Governor's Office of Economic Development, referred to a visual presentation, "2013 Annual Report and Business Resource Guide – Executing the Fundamentals," which illustrates the organizational chart of the GOED and gives an in-depth review of its programs, partners, and resources. They also distributed a booklet, "2013 Annual Report and Business Resource Guide," which they said is GOED's attempt to provide needed information to the Legislature and the public.

**Motion:** Rep. Edwards moved to direct the committee staff to prepare legislation to provide for consolidation of annual agency reports into a comprehensive annual report from the DWS, the DHA, and the GOED. The motion passed unanimously. Rep. Last was absent for the vote.

### **3. Unemployment Insurance (draft legislation)**

Ms. Michelle Beebe, Chief of Benefits, Unemployment Insurance Division, Department of Workforce Services, referred to the direction staff had received from the committee to prepare draft legislation to address issues raised by the department. She referred to draft legislation "Workforce Services Amendments" (2014FL-0406/003), which was included in the mailing packet. Ms. Beebe stated that, in this draft legislation, the department proposed a few technical changes to 2010 General Session H.B. 18, "Unemployment Insurance Amendments." She explained that the bill removes a provision regarding the overlapping of base periods when determining the appropriate time at which certain benefits costs will not be charged to an employer for unemployment insurance claims.

**Motion:** Rep. Menlove moved that the committee pass draft legislation "Workforce Services Amendments" (2014FL-0406/003) as a committee bill. The motion passed unanimously. Rep. Last was absent for the vote.

### **4. Economic Mobility for Utah Residents**

Mr. Shawn Teigen, Research Analyst, Utah Foundation, described the foundation's report released in August 2013 "Climbing Toward the American Dream: A Second Analysis of Economic Mobility in Utah," a copy of which was included in the committee packet. He shared a visual presentation by the same title and explained that the report provides an analysis of the ability of Utah residents to move up the economic ladder and includes details of mobility across generations, income, wealth, and housing.

### **5. Child Care Subsidy Program**

Ms. Kristen Floyd, Director, Office of Child Care (OCC), Department of Workforce Services, discussed a handout that described OCC's mission, history, funding, and subsidy programs. She

said that the OCC provides child care assistance to low-income families to enable parents to work outside the home. Ms. Floyd explained that the current child care assistance subsidy rate for the state is at the 43<sup>rd</sup> percentile, but the desired subsidy rate is at the 75<sup>th</sup> percentile. She added that the OCC suggests an infusion of General Fund money to reach the desired rate, and that it has not received additional money since 2009.

Mr. Ed Dieringer, owner, Bennion Learning Center, Taylorsville, Utah, said that, as a licensed provider with over 60% of the children on the subsidy program, the center faces a higher financial burden due to regulatory standards. He stated that the center also faces problems in meeting the financial and stability needs of at-risk families and is dependent on increased funding to maintain viable support for Utah's most vulnerable population. Addressing page 8 of the OCC handout, which outlines the funding goals for child care development, Mr. Dieringer said he sees this as a viable plan and requested that the Legislature support the OCC in its efforts to assure adequate funding to maintain and improve the system.

## **6. Refugee Program**

Mr. Jon S. Pierpont, Executive Director, Department of Workforce Services, introduced Ms. Nyandeng Aleu, a refugee from Sudan, and read her story of hardship as she spent several years fleeing from the terrors and torment of civil war. After marrying, giving birth on the run to three children, and continuing to flee, Mr. Pierpont said Ms. Aleu was separated from her husband during a raid. She arrived at a Kenyan refugee camp, which provided food and medicine but no protection from further violence.

When adult education was provided by the United Nations, Mr. Pierpont said that Ms. Aleu learned English, became a facilitator and interpreter, worked with the Lost Boys of Sudan, encouraged other women to get an education, taught them marketable skills, and trained them to become self-reliant.

In 2004, Mr. Pierpont said Ms. Aleu had the opportunity to leave Kenya with her five children and a nephew and was assigned to live in Salt Lake City, Utah. He said that, along with caring for her children, she adapted to the new culture, held a job while receiving her high school diploma and Associate Degree, became a U.S. citizen, and has adopted the goals of stopping the genocide movement and assisting other refugees to survive.

Mr. Pierpoint stated that the refugee program provides cash and medical assistance to newly arriving refugees, new asylees, and victims of human trafficking. He said that the benefits are needs-based and may only be provided within the first eight months of arrival. In FY 2012, he said that 394 individuals were assisted by the DWS-assisted refugee program with employment services, education, health services, capacity building, ESL, unaccompanied refugee minors, housing, case management, and eligibility.

Mr. Pierpont introduced Dr. Shu Cheng, Executive Director, Asian Association of Utah, who stated that

the association has been working with refugees for 35 years providing training and services for employment, mental health, ESL, case management, parenting, etc. Mr. Cheng stated that, in the last 12 years, 3500 refugees have been assisted, and while it takes 5-6 months of training before they are employable, only 10% are able to make a livable wage of \$12.00 per hour or more.

He continued that, besides receiving housing, food, and training, the association must treat depression and anxiety among the refugees, which suffer at a rate of more than double the normal population. Mr. Cheng expressed appreciation for the many great teachers and volunteers the association's refugees enjoy and that, after becoming stable, refugees integrate into society, pay taxes, and give back to the community in many ways.

## **7. Free Market Protection and Privatization Board Report**

Mr. Cliff Strachan, Program Specialist and Secretary, Free Market Protection and Privatization Board, Governor's Office of Management and Budget, presented to the committee the "2012 Annual Report of the Free Market Protection and Privatization Board," which was included in the committee packet, describing its activities, recommendations on privatizing an activity provided by an agency, and the status of the Commercial Activities Inventory. Mr. Strachan noted the board's website has moved to "[GOMB.utah.gov/operationalexcellence](http://GOMB.utah.gov/operationalexcellence)" and that, in the current year, the board is updating the Commercial Activities Inventory and has reviewed fleet operations, surplus vehicles, and State Parks' reservation call center. He concluded that the only recommendation this year has been to privatize the telephone call center.

## **8. Other Committee Business/Adjourn**

**MOTION:** Rep. Romero moved to adjourn the meeting. The motion passed unanimously. Rep. Cunningham, Rep. Menlove, Rep. Powell, Rep. Sanpei, and Rep. Wilson were absent for the vote.

Chair Osmond adjourned the meeting at 12:50 p.m.